

[Mr. P. T. Rajan]

[8th November 1935]

bank carefully when a similar request is made in future. Sir, now I hope the House will accept my resolution, viz., that the guarantee amount be raised from 50 to 100 lakhs of rupees so as to make the bank more helpful and useful to the people of this province."

* The Hon. the PRESIDENT:—"The question is:—

'That this Council recommends to the Government that they may, under sub-section (2) of section 6 of the Madras Co-operative Land Mortgage Banks Act, 1934, increase the maximum amount of the guarantee given by them in respect of the debentures issued by the Central Land Mortgage Bank to a total face value of Rs. 100 lakhs exclusive of such debentures as the bank may from time to time redeem, subject to the periods of issue and the rate of interest specified in the resolution passed by this Council on the 4th August 1934.'"

The resolution was put and carried.

The House then adjourned for lunch.

After Lunch (3 p.m.)

III.—A BILL TO AMEND THE MADRAS CITY MUNICIPAL ACT, 1919, FOR CERTAIN PURPOSES (BILL No. 11 OF 1934)—*cont.*

Discussion on the amendment to add a new proviso to section 102, left over the previous day, was resumed.

Mr. W. K. M. LANGLEY:—"Mr. President, discussion on this amendment was postponed till to-day so that we might be given certain facts and figures. The Hon. the Chief Minister has been kind enough to supply us with certain figures and information and satisfied us that it was impossible for him to agree to this amendment. In view of this, it is not intended to press the amendment."

The amendment was, by leave, withdrawn.

Clause 56 was put and carried.

Clause 57.

Section 104.

Discussion on the amendment of Mr. Basheer Ahmed Sayeed to section 104 moved the previous day was resumed.

* Mr. BASHEER AHMED SAYEED:—"Mr. President, I was referring yesterday to the scheme of the levy of tax under section 104 and that contemplated in section 98-A. I suggest, Sir, that the section as it now stands may be left without being tampered. As I pointed out yesterday, it will be administratively difficult to levy tax every half year. The whole scheme of the Act is that the tax should be fixed for the year. If hon. Members will read section 98-A and all provisions thereunder it will be seen that the levy of tax is made only for

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the year and not for each half year. But the collection is for the purposes of conveniences divided into two equal instalments. If you are going to say that the Council should levy taxes half yearly does it or does it not follow that the Council should meet every six months and decide on the taxes and the manner in which the tax should be collected? I think, Sir, there is no consistency between the scheme underlying section 98-A and the scheme of section 104. I, therefore, suggest that the present provision may be left as it is, the tax being levied every year but recoverable in two equal instalments. I do not think, Sir, I should take up any more of the time of the House."

Mr. V. T. ARASU seconded the motion.

* Diwan Bahadur C. S. RATNASABHAIPATI MUDALIYAR :—" Mr. President, Sir, I fear I must oppose the motion of my hon. Friend, Mr. Basheer Ahmed Sayeed. He stated that the scheme adumbrated in section 104 is inconsistent with the provisions of section 98-A. It was solely with a view to conform its provisions with section 98-A that section 104 has been amended. This was very fully explained at the time when the Select Committee was considering the Bill. Sub-clause (2) of section 98-A says that the resolution shall specify the date from which, the rate at which and the period of levy, if any, for which such tax or duty shall be levied. Supposing in the middle of the year any tax has to be levied, it can be done under the existing clause. I do not think there is anything inconsistent in this. I must say that there must be a provision in the Act for the levy of the tax in some cases half yearly. It is only for the sake of convenience that sections 98-A and 104 were amended.

" Besides, Mr. Basheer Ahmed stated that for every tax there has to be a resolution of the Council. It is only when you want to increase the rate or the rates of taxes or impose a new tax, a resolution has to be passed by the Corporation. So, Sir, I do not consider that this clause should be amended as proposed by Mr. Basheer Ahmed Sayeed."

Rao Bahadur P. C. MUTTHU CHETTIYAR spoke in Tamil :—

" இந்த மாதிரியான புரோவிசன்களுக்கு யாதொரு அவசியமில்லையென்று நினைக்கிறேன். ஏனென்றால் 5 வருஷத்துக்கு ஒரு தரம் விலைமதிக்கக்கூடிய தாயிருக்கிறது.

" தவிரவும் எந்த சொத்தையாவது கொஞ்சம் குறைத்து வரி விதித்தால் அது சீர்திருத்தம் செய்வதற்கு ரெவினியூ ஆபிசர்கள் ரொம்ப ஜாக்ரதையாயிருக்கிறார்கள். ஒரு வருஷத்துக்கு ஒருதரம் விலை மதிக்கவோ வரி மதிக்கவாவது, என்றால், அதற்கு அர்த்தம் உண்டு, மாசா மாசமாவது மூன்று மாசத்துக்கு ஒருதரமாவது வரி விதிப்பது என்றால் என்ன விதமாய் நடக்கும் என்பது தெரியவில்லை. இது மற்ற ஜில்லாக்களுக்கு இந்த பிரின்ஸ்பல் ஏற்பட்டால் ரொம்ப கடினமாயிருக்கும்.

" மொபிசில்களில் ஒரு கட்டிடத்தின் ஒரு வருஷத்திய வரும்படியின்மேல் வாடகை மதிப்பை உத்தேசிக்கிறது.

" இது நீலகிரி, கொடைக்கானல், குற்றாலம் போன்ற ஹெல்த் சானிடேரியம் பிரதேசங்களில் கட்டிடங்களுக்கு ஒரு வருஷத்துக்கு மூன்று, நான்கு மாசந்தான்

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வாடகை வருகிறது, இது நன்றாக நடக்கிறது தெரியும். கவர்ன்மெண்டார் இந்த வரிவிதிப்புகளினால் சாஸ்த்தி வரி வரமுடியாது, இதின் வழியே சரியல்ல.

* The Hon. the RAJA OF BOBBILI:—"Mr. President, this question was discussed at the Select Committee stage and we have now given power to the Corporation either to levy new taxes or to reduce a tax at any time within a year. It is considered necessary to make this provision so that the tax may be levied every half year and the Corporation may have power either to increase or decrease the tax according as the tax is levied for the first time or otherwise. It will also enable the tax-payer to prefer an appeal every six months if there is any mistake and if he feels that he has been unreasonably assessed. This is considered to be more convenient. This practice exists under the District Municipalities Act also. I oppose the motion."

* Mr. BASHEER AHMED SAYEED:—"I am sorry, Sir, the Hon. the Chief Minister has not appreciated the spirit of my amendment. The procedure that is now followed is that no new tax can be levied except it be by a resolution of the Council determining what tax shall be levied and it is not contemplated anywhere that the Council shall by resolution impose a tax half yearly. What is done is that the rate of tax is determined at only one meeting of the Council, viz., the budget session of the Corporation and in the matter of collection the tax is collected in two instalments. It cannot be that you can levy tax at the half-year. There is no procedure laid down anywhere for that. Sub-clause (2) of section 98-A reads as follows:—

"When the Council shall have determined to levy any tax or duty for the first time or at a new rate, the commissioner shall forthwith publish a notice in the manner laid down in sub-section (1) specifying the date from which the rate at which and the period of levy, if any, for which such tax or duty shall be levied."

"Is it to be contemplated that even for a tax levied for a half-year all this procedure should be gone through? The taxes for collection purposes are all for the year only. Section 99 (2) says—

"Save as otherwise provided in this Act, these taxes shall be levied at such percentages of the annual value of buildings and lands as may be fixed by the council."

"There is no particular levy for the half-year. The levy is only for the year though the payment is made every half-year. If a new tax is to be imposed or increased, the Corporation has to pass a resolution saying that such and such taxes have to be levied or increased and is this to be done every half-year, when as I have stated 99 (2) says that the taxes shall be on the basis of the annual value? I leave it to Government whether to accept or reject the amendment."

The amendment * was put and lost.

Clause 57 was put and carried.

* Mr. BASHEER AHMED SAYEED:—

(a) After the word 'premises' and before the word 'within' insert the words 'in two equal instalments.'

(b) In section 104, for the words 'half-year' substitute the word 'year.'

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Clause 58.

Section 105.

* Mr. T. B. RUSSELL:—"I move—

'For sub-section (3) the following shall be substituted, namely:—

"(3) (a) No claim for such remission shall be entertained unless the owner of the building or his agent has previously thereto delivered a notice to the Commissioner—

(i) that the building is vacant and unlet; or

(ii) that the building will be vacant and unlet from a specified date either in the half-year in which notice is delivered or in the succeeding half-year.

(b) The period in respect of which the remission is made shall be calculated—

(i) if remission is sought in respect of the half-year in which notice is delivered, from the date of delivery of the notice or from the date on which the building became vacant and unlet, whichever is later; and

(ii) if remission is sought in respect of the half-year succeeding that in which the notice is delivered, from the commencement of the half-year in respect of which remission is sought or from the date on which the building became vacant and unlet, whichever is later.

(c) Every notice under clause (a) shall expire with the half-year succeeding that during which it is so delivered, and shall have no effect thereafter."

"This is mainly a drafting amendment which follows the lines of the District Municipalities Act. The amendment makes it clearer. One important point is that it provides for giving notice of vacancy in advance. The Bill as approved by the Select Committee makes no provision by which notice can be given in advance. I think it will be convenient to both the parties."

Mr. T. SUNDARA RAO NAYUDU:—"I beg to second it. This amendment clears many of the practical difficulties in the old Act."

* Diwan Bahadur A. APPADURAI PILLAI:—"My amendment does not arise now because the amendment just now moved by Mr. Russell has altered the wording. I would prefer to drop my amendment and support the amendment of Mr. Basheer Ahmed if moved."

* Mr. BASHEER AHMED SAYEED:—"My amendment is—

'In section 105 (3) add the following at the end—

"or from the date from which it is proved to have remained vacant or unlet".'

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"It must be added from the date from which it is proved to have been vacant or unlet. And similarly with regard to (b) (2) in the proper place it will have to be inserted. I have had no time to consider where it should be inserted."

The amendment was not moved.

Mr. Russell's amendment was put and carried.

Clause 58 as amended was put and carried.

Clauses 59 and 60 were put and carried.

Clause 61.

* Mr. BASHEER AHMED SAYEED:—"I move the amendment that stands in my name, that is—

'Omit the words "or a company" in line 5 of sub-clause (i).'

"I brought forward this amendment in the Select Committee. But that does not preclude me I submit from placing the same before the House although I might have failed in the Select Committee. I submit, Sir, that there is every reason that 30 days' time should be given for the Government and other quasi statutory bodies like the railway administration. But I fail to see why 30 days' notice should be given to a company, or other individual, or organization or any society. I do not think that so much time should be given to a company as is given to Government or railways. Company does not deserve any preferential treatment as against individuals who are given only 14 days' time in order to comply with the requirements of the commissioner under this section. I have not heard, Sir, even in the Select Committee proceedings any reason for giving differential treatment to the company. I therefore suggest that company may be left out and only Government and railway administration may be given 30 days' time for compliance."

Mr. V. T. ARASU:—"I second it."

Diwan Bahadur C. S. RATNASABHAPATI MUDALIYAR:—"Mr. President, this clause was fully discussed at a meeting of the Select Committee. It was thought that some companies owning a number of buildings, if the assessment is made for the first time, should have 30 days' time for preferring revision petitions. A company must have sufficient time to prefer appeal as the chief officers of the company may be in another province or England. They must be given time to consult their head offices and it was for that reason that the change was found necessary. (Mr. Basheer Ahmed Sayeed: 'The correction section 109 does not contemplate appeals but only calls upon the company or agent to give returns with regard to facts and figures.') That applies to all cases, Sir, whether it is demand for new assessment or notice calling for returns. In every case companies may require longer time than private individuals. So it was thought necessary that they should be

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given a longer period, and by so doing I do not think the interests of the Corporation in anyway suffers."

* Mr. W. K. M. LANGLEY:—"Mr. President, I should like to oppose this amendment for the cogent reasons advanced by my hon. Friend, the member for Coimbatore. It is the case within my own experience that companies for which firms may be agents and which are not actually represented themselves within the City or out of the municipality are called upon to submit certain returns. In many cases the so-called agent is only an agent for the company in a complimentary sense and such notices will have to be sent as Mr. Rathnasabhapati Mudaliyar has said to the head office of the company wherever it may be. It seems to me to be only reasonable that certain additional period should be allowed in the case of companies in order to meet such cases."

The Hon. the RAJA OF BOBBILI:—"I do not think it is necessary for me to speak at length on the subject. Two previous speakers who preceded me have clearly made out a case against this amendment. I therefore oppose this amendment."

Mr. T. S. RAMASWAMI AYYAR:—"Though there is no other amendment, I would like the Hon. the Chief Minister to consider whether even in the case of individuals he will not extend the time to 30 days. Though there is no specific amendment, I should submit that even in the case of private individuals he should extend the time to 30 days, because the same difficulties arise. It may sometimes happen that the individual or the owner may not be in the City when the return is asked or he might not have the information to give immediately. So could it not be that even in the case of individuals 30 days may be the time fixed as minimum?"

The Hon. the RAJA OF BOBBILI:—"There is no separate amendment."

* The Hon. the PRESIDENT:—"I have no notice of the amendment at all."

The amendment of Mr. Basheer Ahmed Sayeed was put and lost.

. Clause 61 was put and carried.

Clause 62.

Section 110.

* Diwan Bahadur A. APPADURAI PILLAI:—"Sir, I beg to move the amendment standing in my name, viz.—

'After the words "under the same Act" in the proviso, insert 3-30 p.m.
the following:—

'and societies registered under the Indian Companies Act and intended solely for the benefit of poor and destitute families'."

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"Sir, the proviso says:—

'Provided that any society registered or deemed to be registered under the Madras Co-operative Societies Act, 1932, and the paid-up capital of which is less than fifty thousand rupees and any other society registered or deemed to be registered under the same Act, which on the recommendation of the Commissioner, the Council may by resolution exempt from the payment of the tax on companies shall not be liable to the tax on companies but such society shall be liable to profession tax.'

"Here, Sir, the proviso protects only societies registered under the Co-operative Societies Act, from assessment under the companies' tax. Most of the societies referred to by me are Benefit Societies, or Charitable Institutions and although they are intended to benefit the poor and the destitute they will come under section 110 (1) and be liable to be taxed as companies. The proviso exempts only companies registered under the Co-operative Societies Act. I claim by my amendment that that concession should be extended to societies registered under the Indian Companies Act but are intended solely for the benefit of poor and destitute families. I have in mind Benefit Societies which have no capital and no income whatever and which exist solely for the benefit of the poor, particularly, when the bread-winner dies and the family is left in utter destitution. We come across instances where families of wage-earners and employees are left in the lurch owing to the sudden demise of the bread-winner. There are societies registered under the Companies Act, but intended only to benefit the poor and the destitute, which I have now described. It is the intention of some members who examined the provisions of this Act that I should urge on this hon. House the desirability of exempting from liability to companies' tax, Benefit Societies which do not earn any profit at all, but which exist only for the relief of the poor and the destitute. There are societies called Christian Benefit Fund Societies. Whenever the death of one of the members is reported, a call is sent round to the members of the society on the roll to contribute a rupee or two each as the case may be, and whatever amount is thus collected, after deducting a small sum for meeting expenses, is disbursed to the family of the deceased member. Such Benefit Societies though registered under the Indian Companies Act should be exempt from assessment to companies' tax. My reason is that, if they are treated as companies and charged as companies, they will be liable to assessment on a larger scale. You will find from Schedule IV of the Bill that the minimum chargeable as tax on companies is Rs. 25, but if benefit societies are charged only profession tax the maximum payable will be Rs. 5 and the minimum Rs. 4. I shall illustrate my point. Suppose the income of a Benefit Society is not less than Rs. 100 and not more than Rs. 200 per mensem, it will be charged a profession tax of Rs. 5 maximum or Rs. 4 minimum. The same society, if it were to be assessed as a company, will have to pay Rs. 25 and that will be five times the amount which it will have to pay as profession tax. My contention is, therefore, that a Benefit Society intended solely for the poor and the destitute, particularly families bereft of their bread-winners, ought to be

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given this concession and ought not to be treated as a company assessable to Companies' tax. These societies will not escape the payment of profession tax, as the proviso makes it clear that 'and any other society registered or deemed to be registered under the same Act which on the recommendation of the commissioner, the Council may by resolution exempt from the payment of the tax on companies shall not be liable to the tax on companies but such society shall be liable to profession tax.' The concession that I seek is only that, instead of being assessed as companies and charged a higher rate, they may be assessed to profession tax so that the difference between the company tax and profession tax may go to the benefit of the poor and the destitute. That is my point. This point has been included in the joint memorandum of the Indian Christian community presented to the Select Committee. I appeal to the hon. Members of this House to support my amendment. It will not decrease the finances of the Corporation but it will be a great help to the destitute and the poor on whose behalf the Death Benefit Fund Societies work."

Sriman M. G. PATNAIK Mahasayo:—"Please explain how they differ from Insurance Companies?"

* Diwan Bahadur A. APPADURAI PILLAI:—"My Friend wants me to explain how these Death Benefit Societies differ from Insurance Companies. I am not prepared to satisfy his curiosity. He is a lawyer whose professional knowledge is more comprehensive than mine. I leave it to him to explain the difference. By this amendment I only claim exemption for Death Benefit Societies from payment of companies' tax, while they remain liable to be charged to profession tax."

* Mr. C. BASU DEV:—"I second the amendment and in doing so, I must admit that from the mere fact that a society calls itself a Benefit Society one should not infer that it is really started to help its constituents. But inasmuch as this proviso itself provides a double safeguard, first for the recommendation of the commissioner and then the acceptance of the same by the Corporation, I think there will be sufficient guarantee that this concession provided for will not be misused. I am aware that there are several Benefit Societies which benefit more the promoters than the constituents themselves.

"My Friend, Mr. Patnaik, wanted to know the difference between an Insurance Company and a Death Benefit Society. Insurance Companies pay up the sums assured on the deaths of the insured persons without touching any of the other constituents, but death benefit societies go to the rescue of the families of their deceased constituents by calling for subscriptions from the other members under a call system. The call-money is pooled and a certain percentage paid to the family of the deceased. While the former is based on contract between the company and the constituent, the latter is based on mutual help between the constituents themselves, the executive of the society only acting as collecting agents. I hope that the Government and the House will accept this necessary amendment."

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Mr. G. R. PREMAYYA:—"Sir, in rising to support the amendment, I wish to say a few words. I do not know if all hon. Members have understood what the hon. Mover pleaded for. I do not know if there are Benefit Societies in the other communities. In the Christian community we have some societies of this nature. In my district there is a society registered under the Companies' Act, run entirely by honorary workers. The president and secretary are both honorary workers. The society consists of some 300 members. On the death of a member of the society the nearest relative of the deceased would write to the secretary for money and the secretary with the consent of the president would write to all the members to contribute a rupee each. The money thus collected is sent to the family of the deceased for the expenses of any service or ceremony that may be conducted there. It exists only for the community. And it is registered under the Companies' Act only to avoid suspicion, and not to make profit for itself. In the circumstances to charge it to Companies' Act, simply because it is registered under the Companies' Act is not reasonable. So, I say, Sir, societies of that kind should be exempt from the Companies' tax."

The Hon. the RAJA OF BOBBILI:—"Sir, the amendment does not straightaway exempt from companies' tax such societies as are registered under the Indian Companies Act, but only gives power to the Corporation Council to exempt, on the recommendation of the commissioner such societies as really deserve such assistance."

3-45
p.m.

Mr. R. MADANAGOPAL NAYUDU:—"I move, Sir, that—

'for the words "societies" in the amendment the words "any society" may be substituted.'"

The amendment was duly scconded and was put and carried.

* The Hon. the PRESIDENT:—"I will now put the amendment of Mr. Appadurai Pillai as amended by Mr. Madanagopal Nayudu to the vote of the House. The question is—

'After the words "under the same Act" in the proviso, insert the following:—

"and any society registered under the Indian Companies Act and intended solely for the benefit of poor and destitute families".'

The amendment was put and carried.

* Rao Sahib V. I. MUNISWAMI PILLAI:—"I beg to move the amendment that stands in my name, that is—

'Add the following words after the word "tax" in the first proviso:—

"provided the share capital exceeds 1,000 rupees".'

"Sir, the clause as it stands, will apply even to societies whose share capital is less than Rs. 25,000 and in their cases also, it is said, that on the recommendation of the commissioner the Council may exempt them from companies tax. It may be within the memory of this Council

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classes societies in the city that they must be excluded from any kind of taxation, either companies' or profession-tax. Unfortunately my hon. Friend, Mr. Krishnayya Choudari, who gave notice of a similar amendment withdrew it. If that amendment had been moved, it would have achieved my object. Now, Sir, any society, if it were not to be assessed for company's tax, must pay profession-tax. If my amendment is accepted, it would give some relief to such co-operative societies which have a share capital of below Rs. 1,000. The difficulty is that most of these societies are managed by honorary people who cannot find time to prepare statements to be submitted to the Corporation. So in the interests of very poor societies I am demanding that this amendment should be accepted. The other day when we were discussing the definition of 'company' the Hon. the Chief Minister said that no useful purpose would be served by accepting this amendment since discretion is given to the Corporation to exempt these societies. But in the case of very poor societies, as already explained, there will be difficulty. I therefore request the Hon. Minister to accept this small amendment and give relief to small societies."

* Mr. M. DEVADASAN:—"I beg to second the amendment moved by my hon. Friend, Mr. Muniswami Pillai. In this connexion I submit that in the names of the depressed classes some of the leaders are running some companies and societies and they have got to pay company's tax, profession-tax or any other tax just like other people. In the past some societies had to work under great difficulties and they had to make representation before the Corporation officials for the remission of taxes on the score of inability to pay the sum. On those occasions they were told that the Corporation were not empowered to grant any such remission and that they were debarred by the provisions of the old Act. Now there is a chance of amending the Act so as to suit the needs of the poorer class of people. I do not want in this connexion that partiality should be shown to the depressed class people or companies to be started by them. But it is solely with a view to enable them to run the existing societies or companies for some time to come that I want this amendment to be accepted. I second the amendment."

Mr. P. V. KRISHNAYYA CHOUDARI:—"I have to make certain remarks owing to the observation made by my hon. Friend, Mr. Muniswami Pillai, viz., that I have withdrawn my amendment. We have already provided for a limit of Rs. 50,000 up to which the Corporation may exempt co-operative societies from the companies' tax. So I thought there would be no use wasting the time of the House by moving my amendment. There will not be a share capital of more than Rs. 50,000 unless you take into account the loans that they raise. Of course they may take in deposits. But if you are going to consider them as share capital, the total share capital of the society may go very high. Moreover, the amendment moved by my hon. Friend will not give any

[Mr. P. V. Krishnayya Choudari] [8th November 1935]

benefit to the depressed class societies. On the other hand, it will be more inconvenient for them. So I oppose the amendment."

The Hon. the RAJA OF BOBBILI:—"The amendment seeks to exempt such societies whose share capital does not exceed Rs. 1,000. But in the case of profession-tax, a profession-tax of Rs. 4 is derivable on any income of Rs. 1,200 a year. It seems unlikely that a society with a capital of Rs. 1,000 will be making a profit of Rs. 1,200 a year. For the first time, we have given power to the Corporation to exempt any society, if the Corporation considers that such a society deserves it. I therefore consider that the amendment is unnecessary. I oppose it."

The amendment was by leave withdrawn.

Clause 62, as amended, was put and carried.

Clause 63.

Section 111.

Mr. P. V. KRISHNAYYA CHOUDARI:—"I beg to move the amendments that stand in my name—

'For sub-section (1) (a) (i), the following may be substituted:—

"(i) within the city for not less than 120 days in the aggregate"

'For sub-section (1) (b) substitute the following:—

"(b) resides in the city for not less than 120 days in the aggregate and is in receipt of any pension or income from investments"

"The very principle of this legislation is that when once you collect the tax from a person, he must be given the power of voting. That is the idea. Unless a person has resided in the city for not less than 120 days, he will not be entitled to vote under the franchise clause. So my idea is that unless a person exercises his profession in the city for not less than 120 days, he should not be liable to pay profession-tax. The same argument applies to the other amendment also. These are the reasons for my amendments."

Mr. V. T. ARASU:—"I second the amendments."

Mr. R. MADANAGOPAL NAYUDU:—"I am really surprised at the argument of my hon. Friend, Mr. Krishnayya Choudari, who says that, because a man pays tax, he should be allowed to vote, no matter whether he resides in the city for 120 days or not. Nobody asks any man who pays his profession-tax not to remain in the city for 120 days. But on account of one's own conveniences if a man were to leave the city after

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60 days, that does not mean that he ought not to pay his profession-tax. Only when a man carries on his business or trade or profession for not less than 60 days he is asked to pay a tax. Therefore to say that, because a man may not get his vote if he stays for 60 days, he should not be taxed is not a sound argument."

The Hon. the RAJA OF BOBBILI:—"Under the present Bill if a person stays in the city for 60 days for the half year he will be liable to profession-tax. But if this amendment is accepted, I presume that if he stays only for 120 days he will be liable to profession-tax, which I am sure is not the intention of the Mover of this amendment. I therefore oppose the amendment."

* Mr. BASHEER AHMED SAYEED:—"I rise also to oppose the amendments. If these amendments are to be accepted, it would mean a terrible loss to the Corporation finances. Profession-tax is one of the main taxes and if it is going to be made that a man who resides for 120 days only in the city should be made liable, that would mean for nearly four months of the half year he can stay outside the city and then come to the city and also escape profession-tax. Even when we fix 60 days there are some persons who evade payment of their profession-tax. Provision has been made to avoid such a loss either to the Corporation or to any other municipality. Notwithstanding the existence of such a provision as the present one there are people who are clever enough to evade the law. So if we fix 120 days as the limit it will be disastrous to the Corporation. I do not see the logical sequence between payment of tax by a man and his stay in the city. If a person has a profession and if he wants to exercise his right of voting, he must reside within the city for 120 days, and pay also the profession-tax. Nobody prevents him from residing in the city for 120 days. I therefore oppose these amendments in the interests of the finances of the Corporation."

Mr. P. V. KRISHNAYYA CHOUDARI:—"Sir, it is not a curious argument as has been suggested by my hon. Friend; it is a really substantial argument. I want to reduce the residential qualification to 60 days. If the Government are anxious to realize money by levying a profession-tax, they should also be anxious to give the tax-payers the vote. So long as they are not prepared to reduce the residential qualification of voters to less than 120 days, I press this amendment." 4 p.m.

The amendments were put and lost.

* Mr. D. M. REID:—"Mr. President, Sir, I move that—

'in the new Explanation 4, for the words "shall be deemed" the words "shall not be deemed" be substituted.'

"Sir, in the original Bill this Explanation was not included and I understand that in the Select Committee there was a misunderstanding over its implication. According to sub-section (3) (v) of section 4

[Mr. D. M. Reid]

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of the Indian Income-tax Act, 1928, any capital sum received in commutation of the whole or a portion of a pension is exempted from payment of income-tax. The Explanation 4 to section 111 in the Bill before us says the following:—

‘Any amount received by a person in commutation of his pension or any portion of his pension, shall be deemed to be a pension within the meaning of this sub-section.’

“The Bill before us is trying to tax an income which the Indian Income-tax Act does not allow to be taxed. As profession-tax is based on income, it is assessed in exactly the same way as income-tax. Therefore it seems wrong for capital sums to be made liable to pay profession-tax since the underlying principle involved in both is the same. Any amount received in commutation of a pension is a capital sum and there are several considerations for not making it liable to pay profession-tax. In the first place, as I said, it is a capital sum and profession-tax is not based on capital; it is based on income. The second point is that it is drawn by the recipient in lieu of an annuity and is intended presumably for investment either in business or in shares. In either of these cases, profession-tax will be paid later on the future earnings of that capital sum; and if it were made liable to profession-tax in the first place it would be taxed twice over and incidentally at a heavy rate in the first instance and at a normal rate in the second instance. Owing to the basis on which profession-tax is charged, the treatment of a large sum of this nature as income would move the recipient into a higher category for the purpose of calculating profession-tax than he would otherwise have been put if he had not commuted his pension. For example, taking the case of a man earning Rs. 12,000 a year, he pays a profession-tax of Rs. 75 per half year. If he suddenly receives at the end of his service Rs. 20,000 in commutation of a portion of his pension, he will be immediately placed in the category of persons earning Rs. 32,000 a year with a corresponding heavy increase in the rate of tax payable on the whole. The point which I think I ought to make is this: that we here are contending for a principle. No one will argue that we are putting forward a special case for something that is in the interests of us Europeans in this country, because it is not. Very far from it. Europeans, Sir,—I would ask my hon. Friends to listen to this—can avoid the payment of such a tax on commuted pensions by having them paid in England, in France, Germany or anywhere in the world. It is quite easy. It is not for ourselves. The people who will suffer are our Indian fellow-citizens who, after years of hard and careful work retire and settle down in Madras and find themselves suddenly imposed upon by a tax at a very high rate which will almost make them wish that they never saved money. If this amendment is carried, it will be a reasonable and proper thing and of course it will put the law in line with the law of the whole of India on taxes on income, that is the Indian Income-tax Act. I base my amendment not on considerations of expediency but on the broad principles involved.”

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* Mr. M. A. MUTHIAH CHETTIYAR :—“ Mr. President, Sir, in seconding the amendment moved by Mr. Reid, I wish to point out that this profession-tax has been considered to be an obnoxious tax by all in the city. I have been for the past four or five years trying to find an alternative tax which will be more acceptable to the people of the city, but no such alternative which will yield the same revenue has been found. This question has engaged the attention of the several informal conferences on this Bill. The profession-tax brings about Rs. 3½ lakhs to the Corporation, most of which being paid by Indian merchants, because European merchants mostly come under the companies' tax though they also pay considerable sums by way of profession-tax. As Mr. Reid pointed out, this is not a question of Europeans getting an advantage over Indians, because Europeans can easily escape this tax by having the commuted amount paid out to them in foreign countries. According to the schedule, the highest rate which the Corporation is allowed to levy is Rs. 500, but they have limited the rate to Rs. 350. That is a big sum to be paid by a person in receipt of a commuted pension. I do not think there will be many cases of commutations of pensions every year; probably there will be ten cases or so. The Corporation would not lose much. As I said before, there has been a lot of agitation against profession-tax; it has been said that it is a second income-tax. The profession-tax is not like a similar tax prevailing in Calcutta, where a doctor or a lawyer has to pay Rs. 15 or Rs. 20 for carrying on his profession in the city. Here, our profession-tax should rather be called a municipal income-tax. As there is no alternative tax which will yield the same amount of revenue, we have to continue the profession-tax. I have great pleasure in supporting the amendment of Mr. Reid.”

* Diwan Bahadur C. S. RATNASABHAPATI MUDALIYAR :—“ Mr. President, I am sorry I have to oppose this amendment. There seems to be some misconception in the minds of the proposer and the seconder, when they say that hardship will be caused to pensioners when they are asked to pay profession-tax on commuted amounts. Section 111 (1)(b) says that any person who resides in the city for not less than sixty days in the aggregate and is in receipt of any pension is liable to profession-tax. Therefore a pensioner residing in the city and drawing the minimum amount of say Rs. 50 or Rs. 100 will have to pay profession-tax. As long as the pension which a person gets is treated as income and is taxed accordingly, I do not see why when a portion of the pension is commuted, the commuted amount should not be treated as income for the purpose of profession-tax. For example, suppose a man is drawing a pension of Rs. 200. He will have to pay a tax of Rs. 5 or so for a half year. But if he commutes half of his pension, Rs. 100, he will get Rs. 10,000 in a lump sum and thereafter he will be getting only Rs. 100 as his pension. He will be liable to profession-tax only on Rs. 100 thereafter, while before the commutation he was liable to profession-tax on Rs. 200. Therefore, so long as

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you concede that pension also is income and liable to assessment for profession-tax, it stands to reason that the commuted amount also should be liable to assessment for profession-tax. Otherwise a person who commutes his pension will not only have the benefit of receiving a lump sum but will have his profession-tax reduced for the subsequent periods. That is a position which should not be accepted. I think I have explained the position clearly and the House will throw out the amendment."

Sriman M. G. PATNAIK Mahasayo:—" Mr. President, Sir, pension is considered to be deferred pay. If pay is liable to profession-tax, I do not see why pension should not be liable to profession-tax. For the same reason, the lump sum received by way of commutation also should be liable to profession-tax. It is said that this commuted amount is intended to be invested and the income from investments will pay profession-tax and therefore the commuted amount itself should not be made liable to profession-tax. But the same is the case with ordinary salaries. Suppose a man gets a salary of Rs. 5,000 which he invests in some way. Even then, the income from investment will be charged to profession-tax. Therefore I do not see why there should be any difference between pension and salaries and there is no force in the argument that if the commuted pension is taxed, the person will be taxed twice over."

* Diwan Bahadur A. APPADURAI PILLAI:—" Mr. President, Sir, as a pensioner, I think I am in a better position to speak on this amendment than some of my hon. Friends who are not in this unenviable position. (Hon. Members: 'Why unenviable position?' Question?) Pension, which my hon. Friend, Mr. Patnaik, described as deferred pay, is the amount earned for services rendered. After a service of 30 or 35 years, the man gets a pension on certain scale fixed by Government. That is intended to help him to settle down in life after wandering about all over the country for 30 or 35 years. The Government have now graciously consented to commute a portion of the pension to the extent of 50 per cent. This commutation is based on the fact that the pensioner should have some provision to start his pensioned life in a contented atmosphere. He has had so many liabilities in his life; he must have incurred debts for the education of his children and the marriage of his daughters. His wandering life itself has not conducted to proper investments or saving of any kind.

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"Whatever he gets in the shape of travelling allowances, is spent on his tour expenses. In order to make the man settle down in life after a service of 30 or 35 years, commutation is allowed. When the commuted man comes to settle down in life, very often you will find that he has prior debts, he has to clear away liabilities he has incurred during his service. In fact I wanted to give notice of an amendment to exempt pension from profession-tax. I was served with a notice for payment of profession-tax; what is the profession, Sir, that I am

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exercising? I carry on no profession at all. It is true that I was carrying on profession before I retired. So long as I was doing so, I was gladly paying the profession-tax imposed on me by the Corporation or any municipal council. Now I am a pensioner and as such, I carry on no profession at all, except that I sit at home, take my food and read some books. After I got into this Council, I come here when the Council is in session; that is all my profession. Fearing that hon. Members of the House may object to my amendment to exempt pension from profession-tax, I refrained from giving notice of the amendment. I do not think it would be fair on the part of this hon. House to declare, as it has been provided for in the proviso, that the moment a man commutes his pension, that amount should be liable to profession-tax. I am thankful to my hon. Friend, Mr. Reid, for having taken up the cause of the pensioners. If a pensioner gets a commuted sum of Rupees 20,000, he would have to pay a large amount as profession-tax. Commutation is intended to enable the pensioner to settle down in life and enjoy during his remaining years, his well-earned rest. He ought not to be mulcted in the payment of an additional tax, called the profession-tax. This provision has been newly put in; it is not in the existing Act, it is not in any Act; no municipality levies tax on commutation. It has been brought in here for the first time. I appeal to this hon. House not to oppose Mr. Reid's amendment, but to accept it and confer this concession on hard-worked servants of the Government, who live to earn a pension. How many of us live to earn pension? Hon. Members would accept that very few Indians live to earn pension after a hard service of 30 or 35 years. The ordinary life of an Indian is said to be 50 or 55 years. He has to retire at the age of 55 if he is in charge of executive work. In ministerial posts the service is extended up to 60 years. The Corporation should not seek to make an earning upon the commuted amount of pension. As pointed out by my hon. Friend, the ex-Mayor of Madras, it is not fair that the Corporation should levy any profession-tax at all; he was objecting to the profession-tax itself. He is an experienced gentleman; he is an aristocrat; he has been Mayor of Madras for no other reason except to serve the public. He stood up and said that he was always opposed to the levy of even the profession-tax. It always implied a certain amount of inconvenience and annoyance. The more so in the case of commuted pension. I hope the hon. House would accept the amendment."

* Mr. T. C. SRINIVASA AYYANGAR:—"Sir, it is rather unfortunate that I have to oppose the amendment, Sir, after so pathetic and moving speech which has been made by so eminent a member of this House, Diwan Bahadur Appadurai Pillai, whose honourable record of public life we all appreciate and admire, and who, we hope, will be blessed with a long life, and enabled to earn his pension for decades. But however, there was more of eloquence than of logic in his speech. He stated that pension is deferred pay. If a gentleman in the public service can be taxed to profession-tax, surely the hon. Member's own

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description of pension will make it liable to profession-tax. The previous amendment which we voted upon says that, if a person resides in the city for over 60 days, and is in receipt of pension, he is liable to the principle of income-tax for the purpose of profession-tax. These commuted amounts should not be taken into account; that is his argument. That argument should not prevail. That is why, the explanation has been put in the Bill. Suppose a gentleman is getting Rs. 100 as pension per mensem; two-thirds of it is commuted and drawn in advance; to that extent, in the succeeding years he will pay less profession tax; and he is in a more advantageous position; when he draws a large amount out of the pension in advance he should pay the tax, else it will amount to this, that if pension is received in a particular way, it shall not be taxed; but if it is received in a more normal way, it shall be taxed. There is no logic in it; certainly there is no consistency. I am sorry I have to oppose the amendment in spite of the very moving speech of my hon. Friend, Mr. Appadurai Pillai."

* Mr. YAKUB HASAN:—"Sir, I support this amendment. Pension is a monthly income and though a pensioner does not exercise any profession, yet tax is collected from him because, though this tax is called profession-tax, it is practically a municipal income-tax. When a part of pension is commuted, then the pensioner will cease to get that portion of the pension hereafter. The principle on which commutation of pension is allowed, is this: a person is supposed to live on an average for a certain number of years after retiring from service he is getting a certain pension; the capitalized value of a portion of the pension is given to him as a lump sum. 'The Government pays him the amount on some calculation on the average he will live for so many years and get pension for that period. If the pensioner dies after getting this lump sum, the Government loses that amount. This commutation is worked out on some average. This system has been adopted so that, if people wish to commute a portion of their pension the commuted amount be given to them. But that lump sum is not a pension. In the explanation the capitalized amount that one receives is considered as his pension for that year and he is required to pay on that income profession-tax for that year. The explanation says:—'Any amount received by a person in commutation of his pension or any portion of his pension, shall be deemed to be a pension within the meaning of this sub-section.' To call the commuted amount a pension is an absurdity. It is not a pension and this amendment seeks to remove that absurdity. The Corporation may not lose much if this amendment is carried. As pointed out by one of the speakers, pensioners cannot be considered as exercising any profession at all and they ought to have been exempted from the payment of profession-tax. I do not propose that profession-tax should not be levied on pension. All that I say is those people who commute a portion of their pension and cease to be pensioners or become recipients of reduced pension, they should not be charged with any tax in that year on the amount they get as commutation. With these words I support the amendment."

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MR. K. P. RAMAN MENON :—" Sir, I support the amendment and am of opinion that capitalized pensions should be exempted from the provisions of this Bill.

" First of all, I do not agree with those gentlemen who think that pension is deferred pay. I should say that pension is only compassionate allowance granted by the Government to keep their servants who have rendered valuable services to them above want. That is the real essence of it. 4-30 P.M.

" Then again, Sir, how can you say that a man who ceases to have a profession at once becomes liable to pay a profession-tax? A profession tax is a tax on some profession that a man is following. The moment a man retires from Government service he ceases to have a profession. You cannot therefore say that he is liable to a profession tax. It is a contradiction in terms. You cannot impose a tax at all on a man who is not having a profession. If you call it by any other name, say an extra tax for the benefit of the Corporation or a Corporation income-tax or any such thing, it may be alright; but to call it a profession tax in such cases is certainly a contradiction in terms.

" Again, is it the object of the Corporation to scare away all the pensioners from the Madras City? On the other hand, I should think that it is to the interest of the Corporation to induce the elite of society—at present, the pensioners do form the elite—to stay in the City, at any rate as many of them as possible. But if you propose to penalize them with a tax on their capitalized pension, they may find it more convenient to get away from Madras and settle elsewhere. All these are reasons to show that capitalized pension should not be taxed at all."

DIWAN BAHADUR M. GOPALASWAMI MUDALIYAR :—" Mr. President, Sir, I am sorry I have to oppose the amendment for the simple reason that if a person wants to have the luxury of living in the capital of the province, if he wants to enjoy the amenities of the City and enjoy the amusements which are available to him here in his leisure hours, surely he ought not to grudge to pay a profession tax. My hon. Friend, Mr. Raman Menon asked: Why do you want to scare away the pensioners from Madras? I do want them to be scared away to the mufassal and not to settle down in Madras, in order that they may guide and enlighten us, lead an exemplary life amidst us in the mufassal and be of some use to the rural population. So, if they are to be scared away from the City, so much the better. But if they want to settle here and enjoy the amenities of City life, surely they ought not to grudge this little sum in the shape of a profession-tax."

* MR. P. V. RAJAGOPALA PILLAI :—" As a pensioner myself, I wish to say a word or two in favour of the amendment. A certain person who retired from service in the Military Accounts Department and settled at Tanjore commuted a portion of his pension and drew a lump sum. The members of the church to which he belonged are required

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to pay subscription based on their monthly income. The church authorities required the person in question, to pay his subscription based on the lump sum as well. He refused to do so and about two years afterwards he went up to the High Court where it was decided that commuted pension was not income. It is therefore very doubtful, Sir, whether such lump commutation amounts can be treated as income here. With these words, I support the amendment."

* The Hon. the RAJA OF BOBBILI:—"Sir, I listened to the interesting discussion both in favour of and against the proposed amendment. I presume it is conceded on all sides that pensions themselves cannot be exempted. The present position is that in the case of the income-tax, commuted pensions are exempted. I have also received information that recently there has been a judgment of some Civil Court that commuted pensions are not liable to profession-tax. Of course, if we concede that profession-tax is a kind of surcharge on income, it follows that the amounts commuted should be treated in a different manner from pensions; because the individual who commutes a part of his pension and invests the amount for example in a building will be liable to pay a house-tax to the Corporation; if he uses the money for any business or profession, he will again be liable to profession-tax; and if he invests the money in shares or in any other kind of business, he will be liable to pay income-tax. If in addition to these, we are to tax his commuted pension, I think it will really amount to double taxation. I therefore accept this amendment."

* The Hon. the PRESIDENT:—"I will now put the question to the vote of the House. The question is:

'In the new Explanation 4, for the words "shall be deemed" the words "shall not be deemed" shall be substituted'.

The amendment was put and carried.

* The Hon. the PRESIDENT:—"Clause 63 as amended, and clauses 64, 65, 66, 67, 68, 69 and 70 are for the vote of the House."

Clauses 63, as amended, and 64 to 70 were carried.

Clause 71.

Mr. P. V. KRISHNAYYA CHODARI:—"Mr. President, Sir, I move—

'Add a new clause (b) to section 118 of the Act as follows:—

"(b) Basava bulls, beggars' monkeys, etc., which are kept by persons for earning their livelihood;".'

"We have provided now for tax on animals, etc. The poor beggars who take these Basava bulls and monkeys will become liable to be taxed, and we will be giving opportunities to the Corporation employees to create scenes in the streets. I want, by my amendment, that there should not be any unnecessary harassment of these poor beggars. Already, I think, there are certain provisions by which the Corporation is levying a sort of cart-tax on people who come in carts from

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places like Saidapet, etc., outside the city, which have come within the notice of the Hon. Minister. My amendment only seeks to avoid such hardships to the poor beggars."

Rao Bahadur P. C. MUTHU CHETTIYAR spoke in Tamil and the following is an English summary of the speech:—

"I second this amendment. Of course, I am happy to be associated with any amendment for the abolition of any tax; but this is really a deserving case. There will be cases in which these poor beggars will lead a calf with five legs or a lamb with two heads; or again, a sheep may give birth to eight lambs or five only; it will be difficult for the Corporation authorities to decide the actual tax to be levied in these cases. Similarly I think in the case of pigs, there is a provision for levying a tax; as the Tamil proverb goes, the pig is noted for its giving birth to very many young ones at a time and I am sure it will be very difficult for an assessor to count them all. I therefore think that besides the Basava bulls and monkeys referred to in the amendment, sheep, lamb, pigs and all animals used for agricultural purposes should not be taxed. We may of course tax parrots, fowls, cocks and other birds which are reared in houses. I appeal to the House, Sir, to accept the amendment."

The Hon. the RATA OF BOBBILI:—"Sir, after hearing the very 4-45 interesting speech of my hon. Friend, Mr. Muthu Chettiyar, I can only P.m. say that by accepting an amendment of this kind, we will make the task of the Corporation people very difficult in deciding which are beggars' monkeys and which are not. I therefore consider there is really no need for this amendment, and I oppose it."

Mr. P. V. KRISHNAYYA CHOUDARI:—"Mr. President, Sir, the reason why I wanted to move this amendment was, as the Hon. the Chief Minister himself has stated, it would be very difficult for the Corporation authorities to distinguish between beggars' monkeys and monkeys belonging to others; and I consider at least the poor people may be exempted from tax, especially when we have decided to forego large sums as a result of accepting various other amendments."

* The Hon. the PRESIDENT:—"The question is—

'Add a new clause (b) to section 118 of the Act as follows:—

"(b) Basava bulls, beggars' monkeys, etc., which are kept by persons for earning their livelihood" '."

The amendment was put and lost.

* Mr. BASHIR AHMED SAYEED:—"Sir, I move the following amendment standing in my name, namely—

'Omit sub-section (a) of section 118.'

"Sir, sub-section (a) of section 118 is 'Carriages and animals belonging to the Government.' The principle is that the Corporation pays taxes to the Government whenever any tax is payable by it on any vehicle or any other property that the Corporation might own and

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on which Government is entitled to claim any tax or fee. Lands vested in the Corporation, except for public purposes, are liable to be taxed for quit-rent. Motor cars, lorries, engines, etc., are liable to be taxed under the Motor Vehicles Taxation Act. Such being the case, I do not see why, so far as the Government owns animals, carriages and even motor cars, they should not be taxed. On the basis of reciprocity, I move this amendment. When Government are entitled to tax the Corporation for such things, they are unwilling in spite of our repeated requests, to exempt vehicles owned by the Corporation for public purposes from taxation under the Motor Vehicles Taxation Act; and they refused time and again to grant such exemption. When the Corporation is paying a heavy amount in respect thereof, I do not see why the same logic should not be applicable to Government and why they should not pay to the coffers of the Corporation tax in respect of carriages and animals owned by Government, even as other private owners are bound to pay. There is no distinction made between the Corporation and the Government in the matter of collection of taxes or the collection of any dues which the Corporation owe to the Government. Such being the case, I only want that the Corporation ought not to lose any amount on taxes which they are entitled to collect on animals and carriages which may be owned by the Government. Here, I might also put in another argument that so far as the City Police force is concerned, all those carriages and animals which are required to be kept by the officers of Government in the discharge of their duties are exempt. They come under clause (b) and we do not propose to tax them, but if Government own lorries or carriages or animals—any number of them—I do not see why Government ought not to pay to the Corporation what it is entitled to claim in that respect. I therefore move my amendment for the acceptance of the House.”

Mr. T. S. RAMASWAMI AYYAR:—“ Mr. President, Sir, I desire to second the amendment moved by my hon. Friend, Mr. Basheer Ahmed. No case has been made out why carriages and animals belonging to the Government should not be taxed. The Act allows for taxation of carriages and animals belonging to all people, whether poor or rich. As pointed out by my hon. Friend, Mr. Muthu Chettiyar, in his humorous speech on the last amendment, even goats are taxed. In regard to the taxation on buildings, Government come in like any other private individual and when that is the case, why this particular exemption with regard to carriages and animals owned by Government? As has been pointed out by my hon. Friend, Mr. Basheer Ahmed, special case has been made out with regard to certain officers; for example, we see that City Police officers are exempted as they come under clause (b), as they are on public duty and their services are required at all times; not only they help the Government, they also help in a way the Corporation. And so far as they are concerned, certainly they are entitled to exemption. But what is the reason why Government should have a general exemption with regard to carriages

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and animals belonging to them? Take for instance, cars and lorries belonging to Government. They are also used on the road surface as much as any private vehicle. Then, why this exemption, I ask. Unless, therefore, Government are able to convince the House that there is a special case, I do not see any reason why this general exemption should be given. It was only yesterday that Government claimed exemption with regard to lands lying waste and which did not produce any return to Government. Then, I heard the Hon. the Chief Minister saying aside that even the foreshore would come under that. I was wondering why the foreshore should be exempted from taxation when Government are deriving certain income by selling sand; but that section has been passed and I have no quarrel with that. I do not see, therefore, why Government should have a general exemption of this kind with regard to carriages and animals."

The Hon. the RAJA OF BOBBILI:—"Sir, this is not a new provision which is sought to be introduced into this Bill, but it is already in the existing Act. With regard to the arguments advanced by hon. Members, I can only say that Government stand on a different footing from ordinary individuals or tax-payers on account of the fact that Government give such large grants to the Corporation. I therefore do not see why Government should be taxed and if hon. Members say that Government also should pay tax, they should realize that Government money is tax-payers' money; and I am sure they would not press this amendment. (Mr. T. S. Ramaswami Ayyar: So also Government buildings.) As regards Government buildings, I may inform my hon. Friend that in most countries all Government buildings are exempted from taxation."

Mr. BASHEER AHMED SAYEED:—"I do not press my amendment, Sir."

The amendment was, by leave, withdrawn.

Clauses 71, 72 and 73 were put and carried.

Clause 74.

Section 124.

* Diwan Bahadur C. NATESA MUDALIYAR:—"Mr. President, Sir, I move the following amendment that stands in my name, namely—

'In sub-section (1), in line 4, for the word "eight" substitute the word "four".'

"Mr. President, Sir, there are different categories of carts in the Madras City, for instance, double-bullock carts, single-bullock carts, carts dragged by two men and those dragged by one man. I do not know whether the owners of these bullock carts gain anything or not. I understand that those persons who have got double-bullock carts near the harbour, they are able to get some wages whenever a ship arrives

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in the harbour, and at other times they get nothing practically. At other times, they have to maintain the bullocks without their earning anything, and as such all such persons are the sufferers. In the case of those who have got single-bullock carts, I know how these people suffer. I do not know whether they have at any time saved Rs. 4 in a lump from their earnings. I know of several people in Triplicane who have sold their all and purchased single-bullock carts and they are themselves drivers of these carts. What they get as charges by carrying things or persons from one place to another, comes to about one-third of what the jutka men get. If a jutka man gets Re. 1, these single-bullock cart men get only six annas and with that amount they have to feed the bullock, feed themselves and their families and also to attend to any deterioration in the condition of the carts. That is the condition of these people. If we expect them to pay Rs. 8 half-yearly and Rs. 16 every year, it will work a great hardship. If the Bill provides for a graded system of taxation it will be better.

“Again, Sir, in the case of carts which are drawn by men, I want to know what is it that they gain. We should on the other hand thank such people for keeping such carts to hire it to the poor people for eking out their livelihood; I thank the man who owns so many such carts and lets them for poor people and thus enable them to eke out their own livelihood, otherwise the condition of the poor people will be miserable. Instead of thanking them for having such carts and thus indirectly feeding the poor people, if you tax these poor people, it will be a hard thing. Further, Sir, originally the rate was Rs. 4 but now in the Bill it is proposed to levy Rs. 8. Now that the Government to-day is in a good mood and have accepted many of the amendments in a charitable spirit, I request the Government to go back to the old rate of Rs. 4 and earn the gratitude of the poor people. Once more I appeal to the Government to be charitable in accepting this amendment. Sir, the Hon. the Raja of Bobbili is out for charity, whether it is a ryot here or a poor man there or a charitable institution anywhere. So, I request the Government to make this Rs. 4 and thus relieve so many poor people in the City of Madras. In fact, let there be one rate for double-bullock carts owned by rich people, another for single-bullock carts owned by poor. I therefore request the Government to accept my amendment.”

Rao Sahib V. I. MUNISWAMI PILLAI:—“I second it, Sir.”

The Hon. the RAJA OF BOBBILI:—“Sir, my hon. Friend, Dr. Natesa Mudaliyar stated that by this amending Bill the Government have doubled the existing tax from Rs. 4 to Rs. 8. All that the new section says is: ‘If the Council by a resolution determines that a tax shall be levied on carts, the Commissioner shall levy the said tax half-yearly at the rate or rates (which shall not exceed eight rupees per cart per half year) fixed by the Council . . .’ It therefore follows that this amending Bill does not seek to increase or double the existing tax. It is a matter left entirely to the discretion of the Corporation Council

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and I do not see any objection to leave it as it is. As a matter of fact, it is still open, I presume—I speak subject to correction—to the Corporation to levy different rates for double-bullock carts and single-bullock carts and I do not see why we should by reducing the maximum restrict the discretion of the Council in varying the tax according to the requirements in each case. If, however, it will satisfy my hon. Friend, I am prepared to agree that in the case of single-bullock carts the maximum tax may be Rs. 4.”

Diwan Bahadur C. NATESA MUDALIYAR:—“ Sir, I am extremely thankful to the Raja Sahib, and I beg leave to withdraw my amendment.”

The amendment was by leave withdrawn.

* The Hon. the RAJA OF BOBBILI:—“ Sir, I will now move a definite amendment to the effect that in the case of single-bullock carts the tax shall not exceed Rs. 4. I move—

‘ that the following proviso be added at the end of sub-section (i) of section 124:—

“ Provided that in the case of single-bullock carts the tax shall not exceed four rupees half-yearly ” ’.”

Mr. T. SUNDARA RAO NAYUDU:—“ I second it.”

The House then adjourned to meet again at 11 a.m. the next day.

R. V. KRISHNA AYYAR,
Secretary to the Legislative Council.

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TRUTH ALONE TRIUMPHS